

Semi-Annual Health Plan Financial Report

Finance and Administration Committee

April 15, 2024

Overview

- Reports health plan financial performance as of December 31, 2023
- Covers 4 self-funded PPO plans and 10 flex-funded HMO plans
- Applies Health Care Fund Reserve Policy
- PPO Basic financial performance: July through December 2023
- PPO Medicare financial performance: July through December 2023

Health Care Fund Status as of December 31, 2023

(in millions)	Estimated Health Care Fund Balance 12/31/2023	Estimated Claims Liability (HMO) and Actuarial Reserves (PPO) 12/31/2023	Estimated Surplus (Deficit) 12/31/2023
Total HMO Basic	\$251	(\$182)	\$69
PPO Medicare	\$31	(\$138)	(\$107)
PPO Basic	\$36	(\$594)	(\$558)
Total PPO	\$67	(\$732)*	(\$665)
* \$371 is estimated claims liability; \$361 is required reserves			

PPO Basic Estimated Surplus/(Deficit) as of December 31, 2023

(in millions)	Estimated Surplus/(Deficit)
Surplus/(Deficit) as of 6/30/2023 as Reported at November 2023 FAC	(\$356)
Updated Claims Run-Out	(\$41)
Updated Surplus/(Deficit) as of 6/30/2023	(\$397)
<u>Surplus/(Deficit) Activities Jul – Dec 2023</u>	
Medical	(\$137)
Pharmacy	(\$54)
2023 Premium Surcharge	\$27
Investment	\$3
Increase/(Decrease) in Basic PPO Surplus/(Deficit)	(\$161)
Surplus/(Deficit) as of 12/31/2023	(\$558)

PPO Medicare Estimated Surplus/(Deficit) as of December 31, 2023

(in millions)	Estimated Surplus/(Deficit)
Surplus/(Deficit) as of 6/30/2023 as Reported at November 2023 FAC	(\$62)
Updated Claims Run-Out	(\$15)
Updated Surplus/(Deficit) as of 6/30/2023	(\$77)
<u>Surplus/(Deficit) Activities Jul – Dec 2023</u>	
Medical	(\$10)
Pharmacy	(\$21)
Investment	\$1
Increase/(Decrease) in Basic PPO Surplus/(Deficit)	(\$30)
Surplus/(Deficit) as of 12/31/2023	(\$107)

Addressing the Deficit



Premium surcharge
approved to restore
the fund



Incorporate longer-
term solutions into
2025-2029 PPO
Contract Solicitation



Explore pharmacy
savings options in
the next PBM
Contract Solicitation